

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1494 – HB 1542

February 24, 2018

SUMMARY OF ORIGINAL BILL: Requires an eligible person with an intellectual or developmental disability who is on the referral list for services and whose older custodial parent, or custodial caregiver, attains 75 years of age to be enrolled in the Employment and Community First (ECF) Choices Group 5 or a similarly capped home and community based services (HCBS) program within six months of the person's parent or caregiver attaining 75 years of age.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$2,011,400/FY18-19
\$3,017,100/FY19-20 and Subsequent Years

Increase Federal Expenditures - \$3,879,900/FY18-19
\$5,819,800/FY19-20 and Subsequent Years

SUMMARY OF AMENDMENT (013412): Deletes the language "seventy-five (75)" and replaces it with the language "eighty (80)".

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$345,900/FY18-19
\$432,300/FY19-20 and Subsequent Years**

**Increase Federal Expenditures - \$667,200/FY18-19
\$834,000/FY19-20 and Subsequent Years**

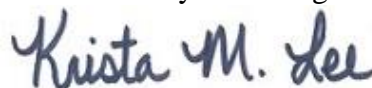
Assumptions for the bill as amended:

- The proposed legislation updates Tenn. Code Ann. § 33-5-112 to reflect the closure of the Self-Determination Waiver and the shift to referring eligible persons to the ECF Choices program or a similarly capped HCBS program.
- The Division of TennCare (Division) is the administering agency for ECF Choices and HCBS programs.

- It is estimated there will be an initial enrollment of 40 members in FY18-19 and an additional 10 members in FY19-20, resulting in 50 members in either the ECF Choices Group 5 or Group 6. It is estimated that the enrollment will level off at 50 members in FY19-20 and subsequent years.
- Ten percent of the members will require the higher level of support in Group 6 and the remaining 90 percent will require lower level services in Group 5.
- In FY18-19, four members (40 x 10.0%) will be enrolled in Group 6 services and 36 members (40 x 90.0%) will be enrolled in Group 5 services.
- In FY19-20 and subsequent years, five members (50 x 10.0%) will be enrolled in Group 6 services and 45 members (50 x 90.0%) will be enrolled in Group 5 services.
- The per member per month (PMPM) cost for HCBS is \$1,418 for Group 5 services and \$8,343 for Group 6 services.
- The total increase in expenditures for the Division in FY18-19 is estimated to be \$1,013,040 [(4 members x \$8,343 PMPM x 12 months) + (36 members x \$1,418 PMPM x 12 months)]. Medicaid expenditures receive matching funds at a rate of 65.858 percent federal funds and 34.142 percent state funds. Of this amount, \$345,872 (\$1,013,040 x 34.142%) will be state funds and \$667,168 (\$1,013,040 x 65.858%) will be federal funds.
- The total increase in expenditures for the Division in FY19-20 and subsequent years is estimated to be \$1,266,300 [(5 members x \$8,343 PMPM x 12 months) + (45 members x \$1,418 PMPM x 12 months)]. Of this amount, \$432,340 (\$1,266,300 x 34.142%) will be state funds and \$833,960 (\$1,266,300 x 65.858%) will be federal funds.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/jem